

Marina Coast Water District

Dual Locations
District Offices
11 Reservation Road
Marina, California
and
Washington Marriott Wardman Park
2660 Wooley Road, NW
Washington, District of Columbia, 20008

Regular Board Meeting
February 10, 2009
6:45 p.m. PST

Minutes

1. Call to Order:

President Gustafson called the meeting to order at 6:47 p.m. on February 10, 2009.

2. Roll Call:

Board Members Present:

Howard Gustafson – President
Bill Lee – Vice President
Ken Nishi
Tom Moore – via telephone
Dan Burns

Board Members Absent:

None.

Staff Members Present:

Jim Heitzman, General Manager
Lloyd Lowrey, Legal Counsel
Jean Premutati, Management Services Administrator
Brian True, Interim District Engineer
Suresh Prasad, Director of Finance
Paula Riso, Executive Assistant/Clerk to the Board

Audience Members:

Bob Holden, Monterey Regional Water Pollution Control Agency
John Tiernan, Monterey Regional Water Pollution Control Agency
Vienna Moore, Resident
Jan Shriner, Green Party
Bob Schaffer, Marina Community Partners

Audience Members (continued):

Alison Imamura, Denise Duffy & Associates
Leif Coponen, Schaaf & Wheeler
Andrew Barnsdale, California Public Utilities Commission
Eric Zigas, ESA
Carole Dawson, City of Seaside
Dave Berger, California American Water Company

The Board entered into closed session at 6:47 p.m.

3. Closed Session:

- A. Pursuant to Government Code Section 54956.95
Liability Claims
Claimant: El Rancho Mobile Home Park and Shopping Center
Agency Claimed Against: Marina Coast Water District
- B. Pursuant to Government Code Section 54956.8
Conference with Real Property Negotiator (General Manager, Legal Counsel)
Property: Second and Imjin
Negotiating Parties: MCWD, FORA, AMBAG
Under Negotiation: Price and Terms
- C. Pursuant to Government Code Section 54956.8
Conference with Real Property Negotiator (General Manager, Legal Counsel)
Property: Second and Imjin
Negotiating Parties: MCWD, FORA, AMBAG
Under Negotiation: Price and Terms
- D. Pursuant to Government Code Section 54956.8
Conference with Real Property Negotiator (General Manager, Legal Counsel)
Property: Water Rights
Negotiating Parties: MCWD and California American Water Company
Under Negotiation: Price and Terms
- E. Pursuant to Government Code Section 54956.8
Conference with Real Property Negotiator (General Manager, Legal Counsel)
Property: D/E Reservoir Site
Negotiating Parties: MCWD and City of Seaside
Under Negotiation: Lease Agreement

President Gustafson reconvened the meeting to open session at 7:04 p.m.

4. Possible Action on Closed Session Items:

President Gustafson stated that direction was given and no action was taken in closed session.

5. Pledge of Allegiance:

President Gustafson led everyone present in the pledge of allegiance.

6. Oral Communications:

Ms. Jan Shriner, Green Party, stated that she wanted to make a clarification to the draft January 13, 2009 minutes. President Gustafson answered that since the item is on the agenda, Ms. Shriner could make comments when that item is discussed.

7. Consent Calendar:

President Gustafson requested to pull item D from the Consent Calendar.

Director Burns made a motion to approve the Consent Calendar consisting of items; A) Adopt Resolution No. 2009-08 in Recognition of Community Member, Mr. Lloyd Eads, for his Dedicated Service to the MCWD as a Member on the Water Conservation Commission; B) Adopt Resolution No. 2009-09 to Approve the Revised District Salary Schedules for the Remainder of FY 2008/2009; and C) Approve Expenditures for the Month of January 2009. Director Moore seconded the motion. The motion was passed.

Director Moore	-	Yes	Vice President Lee	-	Yes
Director Nishi	-	Yes	President Gustafson	-	Yes
Director Burns	-	Yes			

D. Approve the Draft Minutes of the Regular Board Meeting of January 13, 2009:

Ms. Shriner commented that the minutes stated the District had to pay to have the meetings videotaped. She clarified that it is possible to continue having the meetings taped by volunteers for no charge. Ms. Shriner suggested that someone from the District request putting the video's on the Marina Government Channel. The Government Channel is advantageous because the meetings would be available on the AMP.org website in their archive and available for online viewing; and, the time allowed on the Government Channel is unlimited so the meeting would not be edited and could be viewed in its entirety. Ms. Shriner reiterated that there was no cost for this service.

President Gustafson made a motion to approve the draft minutes of the regular Board meeting of January 13, 2008 with no changes. Director Burns seconded the motion. The motion was passed.

Director Moore	-	Yes	Vice President Lee	-	Yes
Director Nishi	-	Yes	President Gustafson	-	Yes
Director Burns	-	Yes			

8. Action Items:

- A. Consider Adoption of Resolution No. 2009-10 to Approve a Memorandum of Understanding between Marina Coast Water District and the Monterey Regional Water Pollution Control Agency for the Regional Urban Water Augmentation Project:

The Board was handed a redlined version of the MOU made by the Monterey Regional Water Pollution Control Agency (MRWPCA) and a clean version made by Mr. Doug Yount, City of Marina, for review. Mr. Jim Heitzman, General Manager, introduced this item explaining that redlined version was one Mr. Lloyd Lowrey, Legal Counsel, and Mr. Heitzman have been working on. The clean version was provided by Mr. Yount, who was facilitating discussions between Mr. Israel, MRWPCA, Mr. John Tiernan, MRWPCA, and Mr. Heitzman. Mr. Heitzman apologized for the last minute distribution of the MOU's. The meeting with Mr. Yount, Mr. Israel, and Mr. Tiernan did not end until 5:45 pm that evening.

Director Moore requested to have the clean version of the MOU emailed to him so he could follow along with the discussion. Ms. Riso emailed Director Moore a clean version of the MOU for review.

Mr. Heitzman briefed the Board and audience on the Regional Urban Water Augmentation Project (RUWAP) explaining that the RUWAP was to supplement the water needs of the former Fort Ord, the City of Marina, and potentially 300 acre-feet per year (afy) to the Monterey Peninsula by providing recycled water and desalinated water. Mr. Lowrey added that the Fort Ord Reuse Authority (FORA) and the District Board approved an EIR that studied the 3,000 afy project which consisted of 1,500 afy of recycled water and 1,500 afy of desalinated water. There was a later addendum to increase the amount of recycled water to 1,727 afy and decreased the desalinated water to 1,273 afy.

Mr. Heitzman briefly explained what each section of the MOU referred to. Director Nishi questioned what would happen if the MRWPCA did not build the pump station as stated. He wanted to know if there was language that the District could build the pump station if MRWPCA doesn't. Mr. Heitzman answered that there was not language to address that issue. Mr. Lowrey stated that language could be added.

Agenda Item 8-A (continued):

Director Nishi asked to have language added to suggest that at a set trigger point, i.e. when the District has expended \$15 million or was $\frac{3}{4}$ complete with the pipeline, the MRWPCA has to start on the pump station. Mr. Heitzman commented that there was discussion about that earlier and it was reasonable to add that language to the MOU as failsafe insurance.

Director Moore commented that he had no objections to Director Nishi's suggestion. He added that if the MRWPCA decided not to build the pump station and the District built it instead, how do you guarantee access to MRWPCA's property? Mr. Heitzman answered that by putting a trigger of a date or timeline in the agreement, it would ensure the pump station being built. President Gustafson added that easements and rights-of-way could be added to the agreement.

Mr. Heitzman commented that there is no possible way to look at every variable that could occur and capture them in the agreement. It was agreed by both General Managers to bring this agreement to each perspective Board to get their input and suggestions.

Mr. Heitzman complimented Mr. Yount for his hard work on the proposed agreement and that it was very similar to what staff had been working on. He suggested having staff finalize the MOU and that MRWPCA was committed to holding a special meeting on February 19th to approve the final MOU.

Director Nishi made a motion to adopt Resolution No. 2009-10 to approve a Memorandum of Understanding between Marina Coast Water District and the Monterey Regional Water Pollution Control Agency for the Regional Urban Water Augmentation Project with language modifications that would be acceptable to MRWPCA on the trigger mechanism. Director Moore asked that Section 22 be modified to state; "For as long as FORA requires it to do so, MRWPCA and MCWD agree to report..." Mr. Heitzman agreed to modify the language in Section 22 to capture that as long as FORA requests reports, MCWD and MRWPCA will provide them. Director Nishi amended his motion to include both language modifications. Vice President Lee seconded the motion.

Mr. John Tiernan, Deputy General Manager for MRWPCA, commented that following a month of working on this MOU with Mr. Yount and Mr. Heitzman, the MRWPCA is really committed to this and is encouraged that the MOU is real close to being finalized.

The motion was passed by the following role call vote:

Director Moore	-	Yes	Vice President Lee	-	Yes
Director Nishi	-	Yes	President Gustafson	-	Yes
Director Burns	-	Yes			

President Gustafson moved to agenda item 9-B.

9. Staff Reports:

B. Receive Report on the Draft Environmental Impact Report for the Coastal Water Project:

Mr. Heitzman introduced Mr. Dave Berger, Coastal Water Project Manager for California American Water Company (CalAm), Mr. Eric Zigas, ESA consultant to the CPUC, and Mr. Andrew Barnsdale, staff member of the CPUC.

Mr. Barnsdale stated that he is the project manager for the development of the EIR, and is very pleased to have the draft out for comment right now. The draft will be out for comments until April 1, 2009 and they are looking for input from everyone, especially from the water agencies.

Mr. Zigas explained that the Coastal Water Project EIR was contained in three volumes and gave a brief background of the project. The California American Water Company came forward with an application for the Coastal Water Project which would include the desalination plant at Moss Landing, transmission facilities to bring the water down to the Seaside area, terminal reservoir up above the General Jim Moore facility, aquifer storage and recovery along the General Jim Moore Boulevard and the Seaside Basin. The water will hopefully work its way down through Seaside around the Peninsula and into the service area of CalAm.

Mr. Zigas commented that in the EIR they looked at an equal level of detail in another alternative which relocates the desal plant to the North Marina area. It uses subsurface intakes instead of the open water intakes at Moss Landing. It reduced the pipeline to deliver the product water by about five miles and the rest of the facilities are pretty much the same as in the Moss Landing Project. Mr. Zigas explained that those two projects are to serve CalAm needs only of 12,500 acre-feet of water and would be only serving Peninsula customers.

Mr. Zigas explained that through what was called REPOG, the Regional Plenary Oversight Group, later renamed Water for Monterey County Coalition, the community engaged in a conversation facilitated by UC Santa Cruz Center for Integrated Water Research, which was funded by the Division of Ratepayer Advocates at the PUC. After roughly two years of dialogue, the community has come together around a project that would be sponsored by Marina Coast Water District, for the most part. Mr. Zigas explained the project would include the desalination facility at the North Marina location. It would also include subsurface intakes and the aquifer storage and recovery. The major difference is the project for CalAm, at North Marina, was including slant wells that went under the beach. In the Regional Project Phase I, vertical wells would be located behind the dunes between the highway and the dunes, and would also add a surface water treatment plant. Mr. Zigas said that taking advantage of the existing Salinas Valley Water Project diversion facility would add additional storage to the Seaside Basin.

Agenda Item 9-B (continued):

Mr. Zigas gave an overview of the three EIR books so everyone would understand how to work their way through the 1,700 pages. Mr. Zigas concluded that the environmentally superior alternative was the Regional Project serving CalAm's needs of 12,500 and the District's needs of 2,700 for 15,200 acre-feet total supply. A ten million gallon-a-day desal plant on the District's acreage. There would be vertical wells, five of them, beyond the beach dunes. There would be a surface water treatment plant of fourteen million gallons-a-day. In addition to the two existing injection and extraction wells up in the Seaside area for the ASR, there would be two more. There would also be three injection wells. Mr. Zigas explained that if you're running desalination and you're getting river water, then there may be more water available than all customers combined could drink, and that water would go into storage. Phase I does not preclude the larger Regional Project of happening in the future, if that does move ahead.

Mr. Zigas stated that the comment period began January 30, 2009 and it will close on April 1, 2009. There are public meetings scheduled for March 2, 3, and 4, 2009. On Monday, March 2nd, there will be a 1:30 p.m. meeting at the Seaside Embassy Suites, and an evening meeting at 6:30 p.m. at the same Embassy Suites. On Tuesday, March 3rd, the meeting will be at the Castroville Community Center, at 6:30 p.m. in the evening. And, on Wednesday, March 4th, the meeting will be down in Carmel Valley at Rancho Canada.

Mr. Barnsdale stated that a final EIR should be ready sometime in mid-summer and could be approved at the end of 2009 or early 2010.

Mr. Zigas stated that for anyone wanting a copy of the EIR, CD's are available at the Marina Coast Water District, CalAm, and Monterey Peninsula Water Management District and they're free. Mr. Zigas also stated that there was a website, www.cwd-eir.com where you can download a copy of the EIR. A total of 40 books were printed. The books come in a three-volume set. Mr. Zigas stated that they are scattered around the county in each of the branch libraries. So there is at least one set in each branch library, there is one set at the Marina Coast Water District, CalAm has two sets, the Monterey Peninsula Water Management District has a set, Monterey County Water Resources Agency has a set, and, as of tomorrow, Supervisor Calcagno will have two sets.

Mr. Barnsdale thanked everyone for their help in preparing this document.

Mr. Heitzman thanked CalAm stating they had been outstanding through the whole process. He added that Mr. Berger had been very professional and open when he facilitated a number of meetings between all the different Districts and Agencies and their differing opinions. Mr. Heitzman commented that CalAm had done an outstanding job at being a partner on the whole process, and whatever happens, CalAm had done outstanding on this project.

President Gustafson recessed the meeting from 7:53 until 8:01 p.m.

President Gustafson returned to agenda action item 8-B.

B. Consider Adoption of Resolution No. 2009-11 to Adopt the Initial Study/Mitigated Negative Declaration for the Well No. 32 Replacement/Eastern Distribution System Project and Approving the Mitigation Monitoring and Reporting Program:

Mr. Brian True, Interim District Engineer, introduced this item. Mr. Lowrey commented that the District is out-of-sync on this item with the larger Regional Project EIR. If the Regional Project EIR were complete then the District wouldn't need to go through this process. Mr. Lowrey stated that since the Regional Project would not be done for a while, the District needs to be prepared for when it is complete and have this environmental review done.

Director Burns made a motion to adopt Resolution No. 2009-11 adopting the Initial Study/Mitigated Negative Declaration for the Well No. 32 Replacement/Eastern Distribution System Project and approving the Mitigation Monitoring and Reporting Program. Vice President Lee seconded the motion. The motion was passed.

Director Moore	-	Yes	Vice President Lee	-	Yes
Director Nishi	-	Yes	President Gustafson	-	Yes
Director Burns	-	Yes			

C. Consider Adoption of Resolution No. 2009-12 to Approve the Well No. 32 Replacement/Eastern Distribution System Project:

Mr. True commented that this item is the next step in the process to install Well No. 34 to replace Well No. 32. The Notice of Determination follows this step and sets a timeline for legal challenges on the process.

Director Burns made a motion to adopt Resolution No. 2009-12 approving the Well No. 32 Replacement/Eastern Distribution System Project. Vice President Lee seconded the motion. The motion was passed.

Director Moore	-	Yes	Vice President Lee	-	No
Director Nishi	-	No	President Gustafson	-	Yes
Director Burns	-	Yes			

Director Nishi stated that he voted "no" because he had concerns with drawing water from two different elevations in one well and has expressed his concerns with Mr. Martin Feeney. Director Nishi stated that although the cost would be more, he would rather the District be prudent and drill two wells, each into different aquifers.

D. Consider Adoption of Resolution No. 2009-13 to Approve the Revised Board Procedures Manual:

Director Moore pointed out several questions and clarifications he had on pages 3, 4 and 19 of the Board Procedures Manual (BPM). Director Nishi had questions and clarifications on page 3, 7, 10, 11, and 18.

The Board discussed Board member accountability and the State Standard definition for “absence” and what “good reason” stood for.

The Board requested the following additional changes to be made to the BPM and brought back in March for consideration:

Page 1 – Footer - replace the word “of” with the word “about” so it reads, “...still contains information *about* the duties...”

Page 4 – 9C - remove the word President

Page 10 – Add the rules Q, R and S from page 3, Section 7 to Section 14

Page 11 – Remove Section 19 – Agenda Review

Director Nishi asked that the changes be made then the item returned to the March meeting for consideration. The rest of the Board concurred.

President Gustafson asked that the BPM be brought back to the March Board meeting with the aforementioned changes for consideration.

9. Staff Reports:

A. Receive 4th Quarter 2008 Ord Community Water Consumption and Sewer Flow Report:

Suresh Prasad, Director of Finance, introduced this item. Director Nishi asked if the District has tried to get Seaside Highlands to lower their consumption. Mr. Prasad answered that the District’s Conservation Department has been working with them. Director Nishi suggested the District get more aggressive when land-use-jurisdictions go over their allotted water supply.

C. Report on Planning and Proposed MOU for the Use of the Regional Treatment Plant Outfall for Brine Discharge:

Mr. Heitzman reported that the Board asked that the District be as transparent and responsive to the public as possible.

Agenda Item 9-C (continued):

Mr. Heitzman stated that this and the RUWAP MOU were open session items so the public can see how these Agreements are developed. The draft MOU for the proposed Regional Desalination Plant's use of the Regional Treatment Plant's outfall for brine discharge is available for public review and/or comments. Mr. Heitzman commented that the District is always open to the public for input on any item.

10. Informational Items:

A. General Manager's Report:

Mr. Heitzman reported that the customer service reception area was going through a remodel to make it safer for employees and more efficient for customers. He expressed his gratitude to the O & M employees who were helping with a majority of the construction work; the customer service employees helping to ensure the move went smooth; and Ms. Premutati, MSA, for organizing it all. Director Nishi and President Gustafson asked that Mr. Heitzman convey their words of appreciation to the employees.

B. District Engineer's Report:

Mr. True stated that he had nothing to report.

C. Counsel's Report:

Mr. Lowery stated he had nothing to report.

D. Committee and Board Liaison Reports:

1. Water Conservation Commission:

Vice President Lee stated that the Commission discussed the Seaside Highlands water use and Mr. Paul Lord's continuing assistance in helping them manage it more efficiently.

2. Joint City-District Committee:

No comments.

3. MRWPCA Board Member:

Director Nishi reported that the RUWAP Agreement was discussed in Closed Session and that earlier today, another meeting was held to discuss the Agreement.

4. LAFCO Liaison:

Director Moore reported there was approval of the expansion of the sphere-of-influence and annexation of a well site on the east side of the Salinas Valley to the Boronda County Sanitation District.

5. JPIA Liaison:

No comments.

6. Monterey Bay Regional Water Authority:

No comments.

7. FORA:

Vice President Nishi stated that the next meeting was on Friday the 13th.

8. Executive Committee:

President Gustafson commented that a brief meeting was held to set policies for future meetings. Mr. Heitzman added that he reviewed roles and obligations with the new Vice President.

9. Community Outreach:

No comments.

10. Ord Community Ad Hoc Committee:

Director Burns asked when the workshop would be held to discuss the recommendations by the OCAC. Mr. Heitzman answered that staff was putting the information together and would let the Board know when everything was ready.

11. Special Districts Association Liaison:

President Gustafson announced that the meeting is scheduled for next week.

E. Director's Comments:

Director Burns complimented staff for their hard work on the Board Procedures Manual.

Director Moore complimented staff for their good work on the RUWAP MOU with the MRWPCA.

Director Nishi commented that sometime in the future, the Board would need to start thinking about a solution to help people who might be affected with this economic downturn. He encouraged the Board to be proactive with people who need help.

Vice President Lee complimented Mr. Heitzman's hard work with the Committees in bringing forth the documents for consideration, and the Board also appreciates the great deal of extra work Mr. Heitzman has been putting in weekly.

Mr. Heitzman stated that staff appreciated those comments.

11. Adjournment:

The meeting was adjourned at 8:49 p.m.

APPROVED:

Howard Gustafson, President

ATTEST:

Jim Heitzman, General Manager